

## Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 00551 161323Z

64

ACTION ARA-10

INFO OCT-01 AF-06 EUR-12 EA-07 IO-11 ISO-00 OES-03 FEA-01

AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 XMB-02 /132 W

----- 128992

R 152207Z JAN 76

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 1576

INFO USDEL MTN GENEVA

USMISSION USUN NEW YORK

USMISSION EC BRUSSELS

AMEMBASSY MANILA

AMEMBASSY NAIROBI

LIMITED OFFICIAL USE CARACAS 551

DEPT PLEASE PASS TO ALL ARA DIPLOMATIC POSTS

E.O. 11652: N/A

TAGS: PFOR EGEN VE EALR

SUBJECT: SELA MINISTERIAL MEETING

SUMMARY: THE MAIN THEMES THUS FAR AT SELA'S LATIN AMERICAN COUNCIL MEETING, WHICH IS TAKING PLACE IN CARACAS ON JANUARY 12-15,

HAVE BEEN THE NEED FOR LATIN AMERICA TO SHED ITS PAST "DEPENDENCY" AND TO SPEAK WITH ONE VOICE IN INTERNATIONAL ECONOMIC FORUMS.

THE MINISTERS WILL REVIEW DOCUMENTS PREPARED BY SELA EXPERTS PROPOSING A WORK PROGRAM FOR SELA AND OUTLINING A COMMON LATIN AMERICAN POSITION FOR THE GROUP OF 77 AND UNCTAD IV MEETINGS. ON SIDELINES OF MEETING, A SENIOR VENEZUELAN OFFICIAL SAID THAT IN GOV VIEW SELA WILL SUPERSEDE AND ABSORB LAFTA. END SUMMARY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 00551 161323Z

1. ECONOMICS MINISTERS FOR 25 LATIN AMERICAN COUNTRIES ARE

GATHERED IN CARACAS ON JANUARY 12-15 FOR THE FIRST MEETING OF SELA'S HIGHEST-LEVEL BODY, THE LATIN AMERICAN COUNCIL. SELA EXPERTS HAD MET HERE LAST WEEK, UNDER THE CHAIRMANSHIP OF VENEZUELAN FINANCE MINISTER HECTOR HURTADO, TO PREPARE FOR THE MINISTERIAL MEETING.

2. FOLLOWING INFORMAL MEETINGS AMONG THE MINISTERS EARLIER IN THE DAY ON JANUARY 12, ARGENTINIAN ECONOMICS MINISTER, ANTONIO CAFIERO, FORMALLY OPENED THE MEETING ON BEHALF OF THE 25 DELEGATIONS WITH A BRIEF SPEECH OF WELCOME. CAFIERO ASKED THE DELEGATES TO ACT PRAGMATICALLY IN TACKING SPECIFIC TASKS WITHIN AN INTEGRATED LATIN AMERICAN CONTEXT AND TO ACT URGENTLY IN DEVELOPING A COMMON POSITION FOR UNCTAD IV. CAFIERO SAID THAT ARGENTINA HAD TRADITIONALLY FAVORED INTEGRATION AND QUOTED JUAN PERON AS SAYING THAT BY THE YEAR 2000, LATIN AMERICA WILL EITHER BE "INTEGRATED OR DOMINATED." CAFIERO EXPRESSED APPRECIATION TO THE PRESIDENTS OF MEXICO AND VENEZUELA FOR THEIR INITIATIVE IN THE FIELD OF LATIN AMERICAN ECONOMIC INTEGRATION.

3. AFTER CAFIERO'S OPENING REMARKS, PRESIDENT PEREZ DELIVERED A SPEECH. ITS MAIN POINTS WERE AS FOLLOW:

-- THE "SURPRISING SPEED" WITH WHICH SELA WAS CREATED IS AN EXAMPLE OF THE VIGOROUS COLLECTIVE WILL TO GIVE CONTENT TO THE IDEAL OF LATIN AMERICAN UNITY;

-- THE EXPERIENCE ACCUMULATED OVER SO MANY DECADES OF FRUSTRATED EXPECTATIONS HAVE TAUGHT THE COUNTRIES OF LATIN AMERICA THAT THERE IS NO ALTERNATIVE TO INTEGRATION;

-- LATIN AMERICA'S "DEPENDENCY" AND DOMINATION BY MULTINATIONAL CORPORATIONS HAS "COMPROMISED SOVEREIGNTY...IMPOVERISHED OUR PEOPLE AND HAUNTED US WITH POLITICAL INSTABILITY." ONLY INTEGRATION WILL ARREST THE "DYNAMIC MOMENTUM TOWARDS DEPENDENCY AND STRENGTHEN NATIONAL ECONOMIES AND NEGOTIATING POWER."

-- ECONOMIC STABILITY WILL LEAD TO POLITICAL STABILITY.

-- LATIN AMERICA HAS REACHED SUFFICIENT MATURITY TO ACT RESPONSIBLY AND WITHOUT INFERIORITY COMPLEXES.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 CARACA 00551 161323Z

-- SELA MEMBERS SHOULD CREATE THEIR OWN MULTINATIONAL ORGANIZATION TO PROVIDE FOOD AND NUTRITIONAL SUPPLIES, EXPECIALLY TO THE CHILDREN OF LATIN AMERICA.

-- SELA WILL ENHANCE THE WORK OF LAFTA AND ANDEAN PACT.

-- SELA MEMBERS SHOULD PARTICIPATE AS A REGION IN FIXING THE

TERMS OF TRADE FOR THE REGION'S BASIC PRODUCTS AND SHOULD FORM PRODUCERS ASSOCIATIONS TO ENHANCE THE AREA'S INTERNATIONAL POSITION.

-- THE NATIONALIZATION OF THE OIL INDUSTRY WILL MAKE VENEZUELAN OIL "AN INSTRUMENT OF SOLIDARITY AND COOPERATION AS WELL AS THE AFFIRMATION OF LATIN AMERICAN NATIONALISM."

-- THE FACT THAT THERE IS NO COMMON SYSTEM FOR TREATING FOREIGN CAPITAL REPRESENTS A GRAVE DANGER TO INTEGRATION.

4. ONE OF THE SELA MEETING'S PRINCIPAL TASKS WILL BE TO REVIEW A DOCUMENT PREPARED BY SELA EXPERTS, SUGGESTING THAT SELA MEMBERS, IN PREPARATION FOR UNCTAD IV, REAFFIRM THEIR SUPPORT FOR THE "INTEGRATED PROGRAM FOR BASIC PRODUCTS" WHICH IS DESIGNED TO IMPROVE THE TERMS OF TRADE FOR THE PRODUCTS OF DEVELOPING COUNTRIES. AMONG THE OBJECTIVES OF THIS PROGRAM WOULD BE PRICE INDEXING AND REDUCTION OF THE EFFECTS OF INFLATION AND PRICE FLUCTUATIONS.

5. TO ACHIEVE THESE OBJECTIVES, THIS EXPERTS' DOCUMENT PROPOSES MEASURES SUCH AS THE ESTABLISHMENT OF A COMMON FUND FOR SUPPORTING THE INTERNATIONAL RESERVE POSITION OF BASIC PRODUCTS; NEGOTIATION OF OTHER INTERNATIONAL AGREEMENTS ON BASIC PRODUCTS, TAKING INTO ACCOUNT THE BASIC CHARACTER OF EACH; PROMOTION OF ACTIVITIES DESIGNED TO DIVERSIFY THE ECONOMIES OF LDC'S; AND GREATER PARTICIPATION BY LDC'S IN THE TRANSPORTATION, MARKETING AND DISTRIBUTION OF THEIR BASIC PRODUCTS.

6. THE MINISTERS ARE ALSO CONSIDERING EXPERTS' PROPOSALS FOR LATIN AMERICAN ECONOMIC INTEGRATION, INCLUDING FOOD AND FERTILIZER PROJECTS; JOINT EXPLORATION OF RAW MATERIALS; LATIN AMERICAN MULTINATIONAL INDUSTRIAL COMPANIES; AND RULES FOR ESTABLISHING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 CARACA 00551 161323Z

STABLE REGIONAL RESERVES AND FINANCING ARRANGEMENTS.

7. AN INTERESTING SIDELIGHT TO SELA MEETING WAS A COMMENT MADE BY REINALDO FIGUEREDO, PRESIDENT OF GOV'S FOREIGN TRADE INSTITUTE, TO VISITING DUTCH FOREIGN MINISTER VAN DER STOEL. ACCORDING TO DCM OF DUTCH EMBASSY, FIGUEREDO SAID THAT, IN GOV VIEW, SELA WOULD ABSORB LAFTA.

8. COMMENT: WE HAVE RECEIVED NO OFFICIAL CONFIRMATION AS YET BUT UNDERSTAND THAT THE MINISTERIAL COMMUNIQUE WILL CONTAIN A NEGATIVE COMMENT ON THE TRADE ACT.

SHLAUDEMAN

NOTE BY OCT: NOT PASSED ABOVE.

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT, REGIONAL ORGANIZATIONS, MINISTERIAL MEETINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JAN 1976  
**Decapton Date:** 01 JAN 1960  
**Decapton Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976CARACA00551  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760018-0121  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760155/aaaabwsb.tel  
**Line Count:** 167  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 MAR 2004 by izenbei0>; APPROVED <23 APR 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SELA MINISTERIAL MEETING SUMMARY: THE MAIN THEMES THUS FAR AT SELA'S LATIN AMERICAN COUNCIL  
**TAGS:** PFOR, EGEN, EALR, VE, XM, SISTEMA ECONOMICA LATINO AMERICANA  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006